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MEMORANDUM FOR THE RECORD

18 February 1981

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SUBJECT: Exemption of [redacted] from SLUC and Associated
GSA Support

1. On 18 February 1981, the following individuals met to discuss the possible exemption of [redacted] (NPIC) from SLUC (Standard Level User Charge) and GSA (General Services Administration) support procedures and the subsequent maintenance and operation of this building by the Agency:

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GSA

Walter V. Kallaur (Regional Administrator, National Capital Region)

John Myers (Assistant Regional Administrator, Regional Public Building Services)

Daniel W. Hope (Director, Building Management Division)

CIA

James H. McDonald (Director of Logistics)

[redacted]ief, Real Estate and Construction

[redacted]uty Director of Logistics)

[redacted](Chief, Support Staff, NPIC)

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2. The Director of Logistics reviewed with Mr. Kallaur GSA's poor performance in support of [redacted] and the Director of Logistics' view that the building was of such unique character as to be classified a "special-purpose" building, the maintenance and operation of which should be delegated by the Administrator, GSA, to this Agency. The Director of Logistics specifically requested that the responsibility for this building be transferred to the Agency. Mr. Kallaur stated that he had no basic disagreement with this proposal and was not opposed to our taking total responsibility for the building. He indicated that his reason for agreeing was the continuing reduction of resources, both personnel and financial, which are available to him to meet GSA's responsibilities in the National Capital Region. He said that he planned to pursue a policy of delegating responsibilities to individual

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agencies where they could perform them with a view towards bringing the remaining responsibilities of his own office more in line with the resources which are available to him. He said that this policy was consistent with the recent National Academy of Public Administration study and his own perception of where GSA should be going as an organization. He said he felt the most important issue, though, was whether or not we really do want to take the building over and can afford the resources necessary to do so. He also suggested that there are a number of judicial and long-range planning issues which must be resolved and that approval of GSA's own Congressional Oversight Committees would be required. He did not consider any of these issues as being insurmountable.

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3. In order for the Agency to take over responsibility for [redacted] Mr. Kallaur suggested two possible options. The first is a revocable permit from the Administrator, GSA, which (theoretically) can be revoked at any time but which has the advantage of being the most expeditious and least controversial and complex method of transfer of responsibilities. Further this approach would not involve planning agencies such as NCPC which has informally stated their opposition to an Agency takeover and would also make GSA available to provide advice and counsel to the Agency where planning or political issues might be involved. The second alternative would involve a transfer of jurisdiction from GSA to the Agency but would require the approval of a number of Congressional and planning agencies before it could be accomplished. He further made it clear that if the Agency was to assume this responsibility, it would be on an all-or-nothing basis. GSA would not provide any reimbursable services, e.g., utilities, federal police service, or any other service they currently provide, but would (tentatively) continue with capital investment projects they have budgeted through 1983 until we can pick up such costs in our 1984 budget submission. They would also be willing to identify shop space elsewhere [redacted] which could be made available to us or they suggested that such space be included in the new NPIC Building annex. The assumption throughout the discussion between Mr. Kallaur and Mr. McDonald was that the Agency would provide the proposed maintenance and operation services by contract, and hence, any prospectus issues, labor problems, and the like would rest solely with the Agency.

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4. Mr. McDonald suggested that in order to assess and quantify resource implications of the proposed transfer, we would like to assign a senior officer from the Agency to GSA for a period of approximately 60 days to work with GSA officers in determining exactly how the mechanics of such a transfer could be made to work and what resources and staffing would be required of the Agency if it assumed this new responsibility. Mr. Kallaur said he would welcome this kind of assistance since he viewed it as a "pioneer effort" which might have applicability to other Federal agencies, and he suggested that we simply write him a letter formally making this proposal which he would then accept. He further

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suggested that after the study had been completed, and if we did desire to proceed, then a letter should be sent from the DCI to the Administrator of GSA asking that we be given a permit to maintain and operate the building. He made it very clear, however, that once we made such a request, there was no backing out.

5. It was also agreed that while this issue is being examined, construction of the NPIC Annex would continue as currently planned with GSA retaining the option of either performing the necessary construction work or requesting that we do so. It was made clear to Mr. Kallaur that if the Agency time frame could be met, we would prefer that GSA perform the construction as they were more experienced and better staffed to handle the political, contracting, union, and other issues which might arise during major construction in the Metropolitan Washington Area.

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6. [redacted] asked if there was anything that we could do during this interim period to take some of the load off the building manager and get better maintenance than is currently provided. Mr. Kallaur stated that he honestly did not feel that the building maintenance was nearly as bad as we perceived it to be, but that he would do whatever he could to improve it during this period. He also suggested that Agency orders against existing GSA term contracts might be of some value.

7. On other peripheral issues, Mr. Kallaur indicated that he expected to see some beneficial changes in recent GSA policies which have caused customer agencies so much grief, i.e., building temperatures, hot water, paid parking and the like. He also indicated that GSA had recently granted their building managers a \$10,000 delegation to contract, which should permit greater responsiveness on their part. As a final aside, he cited the extreme difficulty GSA has had in clearing personnel to work in Agency buildings and suggested that the Agency should pursue a premium pay arrangement with OMB which would add more stability to the work force.

8. The meeting was concluded with Mr. McDonald's assurances that he intended to pursue the options discussed and would send a letter to Mr. Kallaur (attached) suggesting a senior Agency official to perform the necessary staff work preliminary to any takeover.

[redacted]
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Attachment

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

18 February 1981

Mr. Walter V. Kallaour
Regional Administrator
National Capital Region
General Services Administration
Washington, D.C. 20407

Dear Mr. Kallaour:

Pursuant to our discussion of 18 February 1981 regarding the proposed granting of a permit to this Agency to perform the maintenance and operation of [redacted] I would like to suggest that [redacted] of this office, be assigned to your office for a period of 30 to 60 days to determine, in conjunction with your officers, the policy and resource implications of this proposal so that we may mutually arrive at a decision which is most cost effective and operationally beneficial to both our organizations.

[redacted] is a GS-14 Logistics Officer who has an undergraduate degree in business and an advanced degree in operations research. He has an extensive background in logistics, both domestically and abroad, with recent emphasis on support to highly technical operations such as those conducted at [redacted]. Most recently, he has been assigned to a Management Staff at the Deputy Director level.

If you agree with this proposal, please notify [redacted] telephone [redacted] of my office, who will make the necessary arrangements with whomever you designate.

Your consideration and understanding of our problems and needs is sincerely appreciated.

Sincerely

James H. McDonald
Director of Logistics